

FY 2009-10 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - GEYSERVILLE

A. Program Description

This budget finances the operation, maintenance, and administration of a collection system, pumping stations, treatment plant, and disposal facilities serving the Geyserville area.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 08-09 Adopted	FY 09-10 Requested	Percent Change	FY 08-09 Adopted	FY 09-10 Requested	Percent Change
Operations	\$466,000	\$430,258	(7.67%)	\$23,466	\$44,973	91.65%
Bonds	12,402	11,577	(6.65%)	(12,818)	(13,648)	6.48%
Construction	255,342	155,000	(39.30%)	239,342	153,425	(35.90%)
TOTAL:	\$733,744	\$596,835	(18.66%)	\$249,990	\$184,750	(26.10%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 07-08 Actual	FY 08-09 Budget Estimate	FY 08-09 Revised Estimate	FY 09-10 Projected	Change from FY 08-09 Budget Estimate
Total ESDs	340	340	344	348	2.35%
Total APNs	303	303	307	307	1.32%

E. Summary of Issues and Significant Changes

The Geyserville Sanitation Zone (Geyserville SZ) treatment facility became operational in 1981 and is designed to treat an average daily dry weather flow of up to 92,000 gallons per day. Based on the 1996 Report of Waste Discharge prepared for the Geyserville SZ, current and future treatment plant inflows were expected to remain less than the treatment and disposal capacity of the Geyserville SZ facilities. Accordingly, there are no expansions to the treatment and disposal facilities planned at this time.

The requested rate per ESD for FY 09-10 annual service charges is \$752 representing a 7.0% increase from FY 08-09. For the past several years, rate increases for the Geyserville SZ have not kept pace with increasing regulatory compliance costs. Rate increases for the next several fiscal years will need to be at least 7% to rebuild prudent reserves and to keep pace with inflation.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2009-10 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANITATION ZONE - GEYSERVILLE - OPERATIONS
Section/Index No: 681106

Sub-Object No. and Title	Adopted 2008-09	Requested 2009-10	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
1001 Flat Charges - CY	\$229,122	\$250,927	\$21,805	9.52%
1061 Flat Charges - PY	4,000	4,000	0	0.00%
1120 Penalties / Costs on Taxes	600	600	0	0.00%
Subtotal Taxes	\$233,722	\$255,527	\$21,805	9.33%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$6,000	\$1,750	(\$4,250)	(70.83%)
Subtotal Use of Money	\$6,000	\$1,750	(\$4,250)	(70.83%)
<u>CHARGES FOR SERVICES</u>				
3400 Sanitation Services	\$2,812	\$3,008	\$196	6.97%
Subtotal Charges for Services	\$2,812	\$3,008	\$196	6.97%
<u>OTHER FINANCING SOURCES</u>				
4625 OT - W/in Special Dist - BOS	\$200,000	\$125,000	(\$75,000)	(37.50%)
Subtotal Other Financing Sources	\$200,000	\$125,000	(\$75,000)	(37.50%)
TOTAL REVENUES	\$442,534	\$385,285	(\$57,249)	(12.94%)

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$500	\$500	\$0	0.00%
6140 Maintenance-Equipment	10,000	5,000	(5,000)	(50.00%)
6180 Maintenance - Bldgs/Imp	101,000	20,000	(81,000)	(80.20%)
6262 Lab Supplies	1,000	1,500	500	50.00%
6512 Testing/Analysis	8,000	20,000	12,000	150.00%
6522 District Services	6,000	15,000	9,000	150.00%
6523 District Operations	169,000	160,000	(9,000)	(5.33%)
6570 Consultant Services	13,000	10,000	(3,000)	(23.08%)
6573 Administration Costs	2,500	2,500	0	0.00%
6610 Legal Services	1,000	1,000	0	0.00%
6629 Fiscal Accounting Services	3,000	3,000	0	0.00%
7206 Equipment Usage Charge	20,000	30,000	10,000	250.00%
7212 Chemicals	4,000	6,000	2,000	50.00%
7217 State Permits / Fees	7,000	11,000	4,000	57.14%
7247 Water Conservation	0	19,000	19,000	N/A
7320 Utilities	25,000	0	(25,000)	(100.00%)
7394 Power	0	26,500	26,500	N/A
Subtotal Services and Supplies	\$371,000	\$331,000	(\$40,000)	(10.78%)

FY 2009-10 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Sub-Object No. and Title	Adopted 2008-09	Requested 2009-10	Difference	Percent Change
<u>OTHER CHARGES</u>				
7980 Depreciation	\$85,000	\$94,258	\$9,258	10.89%
<i>Subtotal Other Charges</i>	\$85,000	\$94,258	\$9,258	10.89%
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
<i>Subtotal Other Financing Uses</i>	\$0	\$0	\$0	N/A
<u>APPROPRIATIONS FOR CONT</u>				
9000 Appropriations for Contingencies	\$10,000	\$5,000	(\$5,000)	(50.00%)
<i>Subtotal Appropriations for Contin.</i>	\$10,000	\$5,000	(\$5,000)	(50.00%)
TOTAL EXPENDITURES	\$466,000	\$430,258	(\$35,742)	(7.67%)
<u>TOTAL NET COST</u>				
<i>(Expenditures Minus Revenues)</i>	\$23,466	\$44,973	\$21,507	91.65%

FY 2009-10 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Geyserville - Operations

Character Title: Taxes Character No.: 681106-10

1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to increase slightly from the adopted FY 08-09 budget. The annual rate will increase 7.0%, from \$703 to \$752.

ESDs times annual rate:	344 x \$752	\$258,688
Less Estimated Delinquency Factor:	3%	(7,761)
		<hr/>
		\$250,927

(See SubObject 3400 for Total ESDs)

1061 Flat Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money Character No.: 681106-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$100,000
Projected Interest Rate	<hr/> 1.75%
Projected/Planned Interest on Pooled Cash	\$1,750

Character Title: Charges for Services Character No.: 681106-30

3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 09-10 ESDs, the Zone will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$703 to \$752.

ESDs x Annual Charge	4 x \$752	=	\$3,008
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6040 Communications

This account records expenses paid by the Zone for outside communication and wireless services.

6140 Maintenance-Equipment

This account records the costs for routine maintenance of equipment.

6180 Maintenance - Bldgs / Impr

This account records the cost of parts and materials required to maintain the collection system and pumping facilities.

6262 Laboratory Supplies

This account records the cost of lab supplies required for testing and monitoring wastewater.

6512 Testing/Analysis

This account records expenses incurred to comply with all regulatory testing requirements. Our recent cost experience indicates that higher costs may occur during the forthcoming year.

6522 District Services

This accounts records the service and supply type items associated with operations and maintenance of the Zone's facilities. Our recent cost experience indicates that higher costs may occur during the forthcoming year.

6523 District Operations

This account records the cost of labor and overhead associated with operations and maintenance of the Zone's facilities.

6570 Consultant Services

This account records the cost of consultant services required in support of special projects including work on Maintenance Services for Electronic Instrument PJ 7231-02 (\$10,000).

6573 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

6610 Legal Services

This item covers the estimated costs of legal services to be provided by County Counsel or outside legal services.

6629 Fiscal Accounting Services

This item records the direct charge for services provided by the Fiscal Services Section of the County Auditor Controller's Office for staff costs attributed to District's accounting.

7206 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

7212 Chemicals

This account records the cost of chemicals required for operation of the treatment plant. The anticipated amount is considered necessary to meet the discharge requirements of the Zone's NPDES permit, as required by the State Water Quality Control Board.

Character Title: Services and Supplies (continued)

Character No.: 681106-60

7217 State Permits / Fees

This account records the cost of District permits related to NPDES, as mandated by the Regional Water Quality Control Board.

7247 Water Conservation

These funds will be used to implement a Water Conservation Program in the zone.

7320 Utilities

This account has been replaced by subobject 7394 Power.

7394 Power

This account records the cost of payments made for utilities such as gas and electricity.

Character Title: Other Charges

Character No.: 681106-75

7980 Depreciation

Generally Accepted Accounting Principles require that depreciation be expensed each year.

Character Title: Other Financing Uses

Character No.: 681106-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. No operating transfer will be budgeted for FY 09-10.

Character Title: Appropriations for Contingencies

Character No.: 681106-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

FY 2009-10 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Sanitation Zone - Geyserville - Operations
Index No.: 681106

DESCRIPTION OF FUND ACTIVITY	Actual FY 07-08	Estimated FY 08-09	Requested FY 09-10
Undesignated/Unreserved BEGINNING Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$294,735	(\$19,006)	\$79,931
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	239,267	445,069	385,285
Expenditures - (Decrease) fund balance	(626,424)	(435,218)	(430,258)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(387,157)	9,851	(44,973)
Adjustments to Reserves/Encumbrances:			
7980 - Depreciation	79,328	81,258	94,258
Change in Encumbrance	(5,913)	7,828	-
Net Adjustment - Increase/(Decrease) to Fund Balance	73,415	89,086	94,258
Undesignated/Unreserved ENDING Fund Balance			
Available for Budgeting	(\$19,006)	\$79,931	\$129,216
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$313,741)	\$98,937	\$49,285
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/07</u>	<u>7/1/08</u>	
Cash	\$313,957	\$70,306	
Other Receivables	7,198	9,725	
Accounts Payable	(24,505)	(91,209)	
Encumbrance (P.O.)	(1,915)	(7,828)	
Total Beginning Fund Balance	\$294,735	(\$19,006)	

FY 2009-10 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANITATION ZONE - GEYSERVILLE - BONDS
Section/Index No: 681205

Sub-Object No. and Title	Adopted 2008-09	Requested 2009-10	Difference	Percent Change
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REVENUES:

TAXES

1000 Prop Taxes - CY Secured	\$21,000	\$23,000	\$2,000	9.52%
1020 Prop Taxes - CY Supplemental	600	600	0	0.00%
1040 Prop Taxes - CY Unsecured	600	600	0	0.00%
Subtotal Taxes	\$22,200	\$24,200	\$2,000	9.01%

USE OF MONEY

1700 Interest on Pooled Cash	\$2,520	\$525	(\$1,995)	(79.17%)
Subtotal Use of Money	\$2,520	\$525	(\$1,995)	(79.17%)

INTERGOVERNMENTAL REVENUES

2440 St - HOPTR	\$500	\$500	\$0	0.00%
Subtotal Intergovernmental Revenues	\$500	\$500	\$0	0.00%

TOTAL REVENUES	\$25,220	\$25,225	\$5	0.02%
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EXPENDITURES:

SERVICES AND SUPPLIES

6635 Fiscal Agent Fees	\$52	\$52	\$0	0.00%
Subtotal Services and Supplies	\$52	\$52	\$0	0.00%

OTHER CHARGES

7920 Interest	\$12,350	\$11,525	(\$825)	(6.68%)
Subtotal Other Charges	\$12,350	\$11,525	(\$825)	(6.68%)

ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$16,000	\$17,000	\$1,000	6.25%
9209 Ent - Principal Clearing	(16,000)	(17,000)	(1,000)	6.25%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$12,402	\$11,577	(\$825)	(6.65%)
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TOTAL NET COST	(\$12,818)	(\$13,648)	(\$830)	6.48%
<i>(Expenditures Minus Revenues)</i>				

**FY 2009-10 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Geyserville - Bonds

Character Title: Taxes Character No.: 681205-10

1000 Prop Taxes - CY Secured

The Auditor-Controller establishes a tax rate sufficient to accumulate tax revenues necessary to make bond payments of interest and principal. The bonds were passed to fund construction of sewage facilities.

1020 Prop Taxes - CY Supplemental

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

1040 Prop Taxes - CY Unsecured

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

Note: The FY 09-10 bond payment amount (principal and interest) is \$28,525. To avoid major fluctuations in the tax rate from year to year, the tax amount budgeted and/or collected each year may not correspond exactly to the annual bond payment (P&I). Over or under collection in any single year (when compared to the bond payment for that year) merely increases or decreases the fund balance retained in this index. The Auditor's long term tax rate calculations are designed to ensure that debt service obligations are met, while retaining an appropriate level of fund balance, and minimizing unnecessary tax rate fluctuations.

Character Title: Use of Money Character No.: 681205-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$30,000
Projected Interest Rate	1.75%
Projected/Planned Interest on Pooled Cash	\$525

Character Title: Intergovernmental Revenue Character No.: 681205-20

2440 St - HOPTR

This account records the receipt of State Home Owner's Property Tax Relief as allocated by the Auditor's Office. The claim is filed with the State based on the number of Homeowner's exemptions filed with the County.

Character Title: Services and Supplies Character No.: 681205-60

6635 Fiscal Agent Fees

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

Character Title: Other Charges

Character No.: 681205-75

7920 Interest

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate is 5%. Payments began January 1, 1981 and will continue semi-annually until January 1, 2020. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were sold.

Character Title: Administrative Control

Character No.: 681205-92

9200 Ent - Principal

This account reflects the principal expense for general obligation bonds that were issued in 1980 to finance the local share of a wastewater collection system. Payments on the bonds will continue until January 1, 2020. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the General Obligation Bond Issue:	:	\$500,000
Total FY 80-81 through FY 07-08 Principal Payments:	:	(245,000)
FY 08-09 Principal Payment:	:	<u>(16,000)</u>
Outstanding Bond Amount	:	\$239,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2009-10 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
 Section: Sanitation Zone - Geyserville - Bonds
 Index No.: 681205

DESCRIPTION OF FUND ACTIVITY	Actual FY 07-08	Estimated FY 08-09	Requested FY 09-10
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$47,713	\$44,471	\$39,533
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	26,673	24,464	25,225
Expenditures - (Decrease) fund balance	(13,915)	(12,402)	(11,577)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	12,758	12,062	13,648
Adjustments to Reserves/Encumbrances:			
9200 - Enterprise Principal	(15,000)	(16,000)	(17,000)
Change in Matured Bonds Payable	(1,000)	(1,000)	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(16,000)	(17,000)	(17,000)
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$44,471	\$39,533	\$36,181
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$3,242)	(\$4,938)	(\$3,352)
<u>Fund Balance Components at Beginning of FY</u>	7/1/07	7/1/08	
Cash	\$69,355	\$60,471	
Vouchers Payable	(6,642)	-	
Matured Bonds Payable	(15,000)	(16,000)	
Total Beginning Fund Balance	\$47,713	\$44,471	

FY 2009-10 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANITATION ZONE - GEYSERVILLE - CONSTRUCTION
Section/Index No: 681304

Sub-Object No. and Title	Adopted 2008-09	Requested 2009-10	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$16,000	\$1,575	(\$14,425)	(90.16%)
Subtotal Use of Money	\$16,000	\$1,575	(\$14,425)	(90.16%)

OTHER FINANCING SOURCES

4625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A

TOTAL REVENUES	\$16,000	\$1,575	(\$14,425)	(90.16%)
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EXPENDITURES:

FIXED ASSETS

8510 Buildings / Improvements	\$25,342	\$0	(\$25,342)	(100.00%)
9142 Capital Replacement Program	30,000	30,000	0	0.00%
Subtotal Fixed Assets	\$55,342	\$30,000	(\$25,342)	(45.79%)

OTHER FINANCING USES

8625 OT - W/in Special Dist - BOS	\$200,000	\$125,000	(\$75,000)	(37.50%)
Subtotal Other Financing Uses	\$200,000	\$125,000	(\$75,000)	(37.50%)

TOTAL EXPENDITURES	\$255,342	\$155,000	(\$100,342)	(39.30%)
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TOTAL NET COST	\$239,342	\$153,425	(\$85,917)	(35.90%)
<i>(Expenditures Minus Revenues)</i>				

FY 2009-10 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Geyserville - Construction

Character Title: Use of Money Character No.: 681304-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$90,000
Projected Interest Rate	<u>1.75%</u>
Projected/Planned Interest on Pooled Cash	\$1,575

Character Title: Other Financing Sources Character No.: 681304-46

4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. No operating transfer will be budgeted in FY 09-10.

Character Title: Fixed Assets Character No.: 681304-85

8510 Buildings / Improvements

This account reflects funds for treatment plant and disposal system expansion and improvement projects. For FY 09-10 there are no planned projects.

9142 Capital Replacement Program

This account reflects funds for repair and replacement of the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair will help to bring the facilities up to current sanitation standards and will extend the life of the sanitation infrastructure.

The amount requested for the forthcoming year is for a variety of repairs and replacement of worn out parts, as needed.

Character Title: Other Financing Uses Character No.: 681304-86

8625 OT - W/in Special Dist - BOS

For FY 09-10 the Construction Fund will transfer back unused funds to the Operations Fund. These funds were originally transferred to the Construction Fund.

FY 2009-10 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
 Section: Sanitation Zone - Geyserville - Construction
 Index No.: 681304

DESCRIPTION OF FUND ACTIVITY	Actual FY 07-08	Estimated FY 08-09	Requested FY 09-10
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance Available for Budgeting (See Detailed Components Below)	\$482,427	\$472,169	\$249,443
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	36,133	32,616	1,575
Expenditures - (Decrease) fund balance	(45,491)	(255,342)	(155,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>(9,358)</u>	<u>(222,726)</u>	<u>(153,425)</u>
Adjustments to Reserves/Encumbrances:			
Capitalized Interest	(901)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>(901)</u>	<u>-</u>	<u>-</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance Available for Budgeting	\$472,169	\$249,443	\$96,018
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$10,258)	(\$222,726)	(\$153,425)

Fund Balance Components at Beginning of FY

	7/1/07	7/1/08
Cash	\$484,529	\$490,169
Accounts Payable	(2,102)	(18,000)
Total Beginning Fund Balance	<u>\$482,427</u>	<u>\$472,169</u>